

ASSEMBLY BILL

No. 485

Introduced by Assembly Member Arambula

February 16, 2005

An act to add Part 12. 5 (commencing with Section 15920) to Division 3 of Title 2 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 485, as introduced, Arambula. State and Consumer Services Agency: Master Business License Act.

Existing law authorizes various state agencies to issue permits and licenses in accordance with specified requirements to conduct business within this state.

This bill would create within the State and Consumer Services Agency a business license center to develop and administer a computerized master business license system to simplify the process of engaging in business in this state. The bill would set forth the duties and responsibilities of the business license center. The bill would require each state agency to cooperate and provide reasonable assistance to the State and Consumer Services Agency to implement these provisions.

The bill would establish procedures for applying for, and renewing, a master license that certifies license approval by the applicable regulatory state agencies and incorporates the endorsements of various individual licenses that are included in the master license system. The bill would require the State and Consumer Services Agency to establish a reasonable fee for each master license application and each master license renewal and to collect those fees for deposit into the Master License Fund established by this bill. Funds derived from the

master license application fees and master license renewal fees would be expended to administer the master business license program upon appropriation by the Legislature. The bill would require the State and Consumer Services Agency to collect and deposit license fees of the regulatory agencies into the fund and to transfer the fees collected, other than the master license fee, to the appropriate accounts of the regulatory agencies, as provided.

The bill would require the State and Consumer Services Agency, in consultation with other regulatory agencies, to establish a uniform business identification number for each business that would be recognized by all affected state agencies and used to facilitate the information sharing between state agencies and to improve customer service to businesses.

The bill would also require the Director of Small Business Advocate from the Governor's Office of Planning and Research to work with business owners, the Legislature, and all affected state and local agencies to ensure the state's smooth transition to a consolidated business license and permit system.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Part 12.5 (commencing with Section 15920) is
2 added to Division 3 of Title 2 of the Government Code, to read:

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4 PART 12.5. MASTER BUSINESS LICENSE ACT

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6 CHAPTER 1. GENERAL PROVISIONS

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8 15920. This part may be known and may be cited as the
9 Master Business Licence Act.

10 15921. As used in this part, the following words shall have
11 the following meanings:

12 (a) "Agency" means the State and Consumer Services Agency
13 or its successor.

14 (b) "Business license center" means the business registration
15 and licensing center established by this part and located in and
16 under the administrative control of the agency.

1 (c) “License information packet” means a collection of
2 information about licensing requirements and application
3 procedures custom-assembled for each request.

4 (d) “License” means the whole or part of any state agency
5 permit, license, certificate, approval, registration, charter, or any
6 form or permission required by law, including agency regulation,
7 to engage in any activity.

8 (e) “Master application” means a document incorporating
9 pertinent data from existing applications for licenses covered
10 under this part.

11 (f) “Master license” means the single document designed for
12 public display issued by the business license center that certifies
13 state agency license approval and that incorporates the
14 endorsements for individual licenses included in the master
15 license system, which the state requires for any person subject to
16 this part.

17 (g) “Master business license system” or “system” means the
18 mechanism by which master licenses are issued and renewed,
19 license and regulatory information is disseminated, and account
20 data is exchanged by state agencies.

21 (h) “Person” means any individual, sole proprietorship,
22 partnership, association, cooperative, corporation, nonprofit
23 organization, state or local government agency, and any other
24 organization required to register with the state to do business in
25 the state and to obtain one or more licenses from the state or any
26 of its agencies.

27 (i) “Regulatory” means all licensing and other governmental
28 or statutory requirements pertaining to business or professional
29 activities.

30 (j) “Regulatory agency” means any state agency, board,
31 commission, or division that regulates one or more professions,
32 occupations, industries, businesses, or activities.

33 (k) “Renewal application” means a document used to collect
34 pertinent data for renewal of licenses covered under this part.

35 (l) “Secretary” means the Secretary of State and Consumer
36 Services.

CHAPTER 2. BUSINESS LICENSE CENTER

15925. (a) There is created within the agency a business license center.

(b) The duties of the center shall include, but not be limited to, all of the following:

(1) Developing and administering a computerized one-stop master license system capable of storing, retrieving, and exchanging license information with due regard to privacy statutes, as well as issuing and renewing master licenses in an efficient manner.

(2) Providing a license information service detailing requirements to establish or engage in business in this state.

(3) Providing for staggered master license renewal.

(4) Identifying types of licenses appropriate for inclusion in the master license system.

(5) Recommending in reports to the Governor and the Legislature the elimination, consolidation, or other modification of duplicative, ineffective, or inefficient licensing or inspection requirements.

(6) Incorporating licenses into the master license system.

(c) The secretary may adopt regulations as may be necessary to effectuate the purposes of this chapter.

15926. (a) The business license center shall compile information regarding the regulatory programs associated with each of the licenses obtainable under the master business license system. This information shall include, at a minimum, a listing of the statutes and administrative rules requiring the licenses and pertaining to the regulatory programs that are directly related to the licensure.

(b) The business license center shall provide information governed by this section to any person requesting it. Materials used by the center to describe the services provided by the center shall indicate that this information is available upon request.

15927. Each state agency shall cooperate and provide reasonable assistance to the agency in the implementation of this part.

CHAPTER 3. MASTER LICENSE

15930. (a) Any person requiring licenses that have been incorporated into the master business license system shall submit a master application to the agency requesting the issuance of the license or licenses. The master application form shall contain in consolidated form information necessary for the issuance of the license or licenses.

(b) The applicant shall include with the application the sum of all fees and deposits required for the requested individual license endorsements, as well as the handling fee established by the agency pursuant to Section 15931.

(c) Irrespective of any authority delegated to the agency to implement this chapter, the authority for approving the issuance and renewal of any requested license that requires a preclicensing or renewal investigation, inspection, testing, or other judgmental review by the regulatory agency otherwise legally authorized to issue the license shall remain with that agency. The business license center may issue those licenses for which proper fee payment and a completed application form have been received and for which no preclicensing or renewal approval action is required by the regulatory agency.

(d) Upon receipt of the application and proper fee payment for any license for which issuance is subject to regulatory agency action under subdivision (a), the agency shall immediately notify the regulatory agency with authority to approve issuance or renewal of the license requested by the applicant. Each regulatory agency shall advise the agency within a reasonable time after receiving the notice of one of the following:

(1) That the regulatory agency approves the issuance of the requested license and will advise the applicant of any specific conditions required for issuing the license.

(2) That the regulatory agency denies the issuance of the license and gives the applicant reasons for the denial.

(3) That the application is pending.

(e) The agency shall issue a master license endorsed for all the approved licenses to the applicant and advise the applicant of the status of other requested licenses. It is the responsibility of the applicant to contest any decision regarding conditions imposed or licenses denied through the normal process established by statute

1 or by the regulatory agency with the authority for approving
2 issuance of the license.

3 (f) Regulatory agencies shall be provided information from the
4 master application for their licensing and regulatory functions.

5 15931. (a) The agency shall establish a reasonable fee for
6 each master application and collect that fee. The entire master
7 application fee shall be deposited in the Master License Fund.

8 (b) The agency shall establish a reasonable fee for each
9 renewal application and collect that fee. Renewal application fees
10 shall be deposited in the Master License Fund.

11 15932. All fees collected under the master business license
12 system, including the master license application or renewal fees
13 and the fees of the regulatory agencies, shall be deposited into
14 the Master License Fund. Upon issuance or renewal of the master
15 license or supplemental licenses, the agency shall transfer the
16 fees, except for the master license fees covered under Section
17 15931, to the appropriate accounts under the applicable statutes
18 for those regulatory agencies' licenses.

19 15933. (a) The agency shall assign an expiration date for
20 each master license. All renewable licenses endorsed on that
21 master license shall expire on that date. License fees shall be
22 prorated to accommodate the staggering of expiration dates.

23 (b) All renewable licenses endorsed on a master license shall
24 be renewed by the agency under conditions originally imposed
25 unless a regulatory agency advises the agency of conditions or
26 denials to be imposed before the endorsement is renewed.

27 15934. (a) The agency shall not issue or renew a master
28 license to any person under any of the following circumstances:

29 (1) The person does not have a valid tax registration, if
30 required.

31 (2) The person is a corporation delinquent in the payment of
32 fees or penalties owing to the Secretary of State or is not validly
33 registered under state law and any other statute now or hereafter
34 adopted that gives corporate or business licensing responsibilities
35 to the Secretary of State.

36 (3) The person has not submitted the sum of all fees and
37 deposits required for the requested individual license
38 endorsements, any outstanding master license delinquency fee, or
39 other fees and penalties to be collected through the system.

1 (b) Nothing in this section shall prevent registration by the
2 state of an employer for the purpose of paying an employee of
3 that employer industrial insurance or unemployment insurance
4 benefits.

5 15935. (a) The Master License Fund is hereby created in the
6 State Treasury.

7 (b) All fees collected under the master business license system
8 shall be deposited into the fund.

9 (c) Moneys in the fund derived from master application fees
10 and master application renewal fees may be expended upon
11 appropriation by the Legislature and may be used only to
12 administer the master license services program.

13 (d) Moneys in fund other than moneys described in
14 subdivision (c) shall be transferred to the accounts of the
15 appropriate regulatory agencies.

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17 CHAPTER 4. UNIFORM BUSINESS IDENTIFICATION NUMBER
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19 15940. (a) The agency, in consultation with other regulatory
20 agencies, shall establish a uniform business identification number
21 for each business. The uniform business identification number
22 shall be recognized by all affected state agencies and shall be
23 used by state agencies to facilitate information sharing between
24 state agencies and to improve customer service to businesses.

25 (b) It is the intent of the Legislature that the uniform business
26 number would permit the agency to do both of the following:

27 (1) Register a business with multiple state agencies
28 electronically as licenses and permits are processed.

29 (2) Input and update information regarding a business once,
30 thereby reducing the number of duplicate or conflicting records
31 from one state agency to another.

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33 CHAPTER 5. OVERSIGHT
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35 15945. The Director of Small Business Advocate from the
36 Governor's Office of Planning and Research shall work with
37 business owners, the Legislature, and all affected state and local
38 agencies to ensure the state's smooth transition to a consolidated
39 business license and permit system under this part.

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